

HOME, FOREST AND AGRICULTURE SECRETARIAT

Passes Orders regarding the issue of New Tractors to ryots on Hire Purchase System
under Grow More Food Campaign.

READ—

1. Letter No. F.C. 6662-C-3-52-53, dated 9th February 1953, from the Commissioner for Food Production submitting proposals regarding issue of new tractors to ryots under Hire Purchase System and requesting the obtaining of financial assistance from the Government of India for the Scheme.

2. Letter No. F. 14-7/52-G.M.E.(S), dated 30th May 1953, from the Under Secretary to the Government of India, Ministry of Food and Agriculture (Agri.), New Delhi, sanctioning a loan of Rs. 2,50,000 for the scheme of issue of tractors to ryots under Hire Purchase System, among other schemes.

3. Further Letter No. F.C. 1576, dated 12-15th June 1953, from the Commissioner for Food Production requesting sanction to the scheme of sale of new tractors on Hire Purchase System in view of the financial assistance sanctioned by the Government of India for the same.

4. U.O. Note No. 207-D.H.I., dated 22nd August 1953, from the Accountant General, Mysore, in the matter.

ORDER No. A.F. 7349/62-F.P. 9-53-29, DATED BANGALORE,
THE 28TH OCTOBER 1953.

A scheme of selling used tractors of the Agricultural Department to ryots under the Hire Purchase System at a depreciated cost, has been in operation since 1950-51. But this facility under the Grow More Food Drive, has not met the demand in this direction adequately as a large number of ryots owning bigger estates have expressed a desire to own new tractors which will be trouble-free and useful for their agricultural operations. The Commissioner for Food Production reports that repeated representations are being made to him by ryots holding large extents of lands for extending mechanised agriculture by providing new tractors under Hire Purchase System.

In the State, there are good number of ryots owning large extents of lands, who are unable to bring their entire fallow areas under cultivation due to inadequacy and the increasing cost of bullock power and they are anxious to purchase new tractors, if financial assistance is extended to them by Government. There is an extent of roughly 1.7 lakhs of acres under "Current fallows" in the State. A considerable portion of this is expected to be brought under cultivation if new tractors are given under the Hire Purchase System to the owners of large estates. It is considered that this measure will not only enable the expansion of mechanised agriculture in the State but will also help the drive for additional production of food besides improving the agricultural economy of the State. Apart from helping the ryots in bringing large tracts of their own fallow lands under cultivation, the holders of small fallow plots in the neighbourhood, who for any reason may not be able to secure the services of departmental tractors, are also likely to be benefited by hiring the machines from their owners.

With this object in view, the Commissioner for Food Production proposes for consideration of Government a scheme for the issue of new tractors to ryots under the Hire Purchase System on the analogy of the procedure in vogue in the Department for issuing the pumpsets under Hire Purchase System.

Under this scheme, the applicant will be allowed the choice of selecting any machine suitable to his needs in any of the firms dealing in tractors. As and when, sanction is accorded by the Department, release orders will be issued in favour of the firm where the party makes the selection and payment will be arranged by the Department thereafter through the Accountant General. A medium type of tractor with the plough and other implements is estimated to cost about Rs. 12,000. Hence the maximum amount proposed to be issued by way of loan to any applicant for tractors with implements under the Hire Purchase System is fixed at Rs. 12,000 on the following conditions :—

(1) One-sixth of cost of the tractor and implements will be paid by the intending purchaser in advance, the balance of 5/6th being paid in five equal annual instalments with 5 per cent interest, the total amount advanced being recovered with interest in five years.

(2) The applicant will be required to furnish sufficient security in the shape of immovable properties to cover one and half times the value of tractor to be taken by him and two sureties guaranteeing the payment of the loan in case of default by the hire-purchaser.

The Government of India, who considered this scheme and its utility in the field of Grow More Food Campaign, have sanctioned a loan of Rs. 2·50 lakhs in their letter No. F. 14-7/52—G.M.F.(S.), dated 30th May 1953, read above for 1953-54 as financial assistance for the scheme.

With a view to implement the scheme out of the funds sanctioned by the Government of India, the Commissioner for Food Production requests approval to the following proposals:—

- (i) to draw the loan of Rs. 2,50,000 sanctioned by the Government of India for implementation of the scheme;
- (ii) to open a separate Treasury Head to account for the transactions under the scheme;
- (iii) to adopt the application form, agreement form and the requisition to the Amildars as detailed in the enclosures appended;
- (iv) to adopt the draft set of rules indicating the procedure relating to operation of the scheme as detailed in enclosure;
- (v) to get the agreement on a stamp paper, the value of which would be half of what it would be in ordinary cases of mortgage deeds, with an extra duty of Re. 0-10-0 as in the case of issue of pumpsets; and
- (vi) also to issue authorisations to the Sub-Registrars to collect only half the usual registration fees from the hirers of tractors.

The Accountant General who was consulted, has opined that the expenditure on the proposed scheme of giving loans to agriculturists, has not been so far provided for in the State Budget, that this scheme will have to be treated as an item of 'New Service' and that specific sanction of the legislature may be obtained for incurring the expenditure from the consolidated Fund of the State, and that he has no objection to open a new head "Loans to Agriculturists for purchase of tractors" under the minor head "Advances to Cultivators" to account for the transactions of the scheme.

After careful consideration, Government are pleased to approve the above proposals of the Commissioner for Food Production with the following modifications:—

- (1) The solvency certificate, the encumbrance certificate, the Khata extracts and the treasury challans should be enclosed to the application form and the burden of getting these certificates from intending hire purchase applicants need not be thrown on the Amildar, as this would ensure speedier disposal by Amildars in Taluk and avoid complaints of delay on the part of the Taluk Staff.
- (2) A sum of rupees two lakhs only would be drawn for this scheme during the current year out of the loan sanctioned by the Government of India.
- (3) An advance of rupees two lakhs required for the scheme will be provided from the Contingency Fund, subject to recoupment out of the demand to be placed before the Legislature at its next session.
- (4) The security to be obtained by the applicant shall be one and a half times the value of the loan in addition to the mortgage of the tractors and implements.

The application form, agreement form, requisition to the Amildars, and rules to be adopted in respect of the scheme approved by Government are appended herewith.

The Principal Information Officer is requested to arrange for issue of a Press Note on the scheme, separately.

D. J. BALARAJ,
Secretary to Government,
Home, Forest and Agriculture Departments.

APPENDIX.

GOVERNMENT OF MYSORE.

FOOD PRODUCTION DEPARTMENT.

Form of Application for the Supply of Tractors on the Hire Purchase System.

1 Full name of the applicant		
2 Father's name		
3 Name of the	Village ... Hobli ... Taluk ...	
4 Survey Nos. of lands and other immovable properties owned by the applicant.		
5 Total area of lands	Acres	Guntas
6 Total assessment		
7 Estimated value of the properties		
8 Nature of crops raised in the lands with complete details.		
9 Any other particulars which the applicant wishes to give it here.		
10 Name and make of the Tractor unit selected and the name of the Firm in which the selection is made and value thereof.		
Station.....		
Date		

Signature of the Applicant.

To.

OFFICE OF THE COMMISSIONER FOR FOOD
PRODUCTION IN MYSORE, BANGALORE.

Dated..... 1953.

The Amildar,

Taluk.

MEMO.

In enclosing herewith the application of Sri..... he is informed that this party has selected the marginally noted Tractor and implements from Messrs. and has requested to this Office to order the release of the same on Hire Purchase Basis. A revised Hire Purchase Agreement Form is enclosed with a request to get the records completed after proper investigation and re-submit the same together with his opinion early and statements indicated hereunder.

For Commissioner for Food Production.

- (1) Solvency Certificate signed by the Amildar.
- (2) Encumbrance Certificate in respect of the properties mortgaged for twelve years up to date of registration.
- (3) Khatu extract verified with reference to Village Index Register.
- (4) Challan for having credited Rs..... to treasury under
- (5) Agreement in the form enclosed.
- (6) Mahazar of the villagers indicating value of lands, etc.

RULES RELATING TO THE SUPPLY OF NEW TRACTORS ON HIRE PURCHASE SYSTEM FROM THE FOOD PRODUCTION DEPARTMENT.

1. The Agriculturists intending to take New Tractors for agricultural purposes under Hire Purchase System shall apply in the prescribed form to the Commissioner for Food Production in Mysore, Bangalore. The selection of the make of the Tractors and the connected implements is left to the choice of the applicant from among the makes noted below:—

- (a) Ferguson Tractors and implements.
- (b) Massy Harris do
- (c) International do
- (d) John Deere do

2. The applicant should enclose a quotation obtained from the firm dealing in the tractor selected by the applicant, specifying the type of the tractor and details of the connected implements with the value of each item.

3. The maximum limit of the loan permissible for the purchase of the tractor and implements will be limited to Rs. 12,000 (including sales-tax), the extra cost, if any, being payable by the party directly to the firm from his own resources.

4. In the event of the applicant qualifying himself for the issue of tractor and implements, one-sixth of the value of the tractor and implements is to be paid by him to the Department in advance, the balance amount being payable in 5 equal annual instalments with interest at 5 per cent per annum.

5. The tractor and implements will be given against the security of landed and other immovable properties in the case of individual farmers and the capital resources in the case of Co-operative Societies to the extent of one and half times the value of the loan as per valuation made by the revenue authorities in the case of individual agriculturists. In the case of Co-operative Societies the Registrar of Co-operative Societies should certify about the sufficiency of the capital resources.

6. The ownership of the tractors will remain with the Government until the entire amount of loan and interest are paid up by the applicant.

7. Nil.

8. The responsibility to maintain the tractor and implements in good working order will be that of the hirer during the term of the contract.

9. The tractor should be insured under comprehensive risk and registered with the Inspector General of Police as a Departmental Tractor till the entire loan with interest is repaid to Government, and the insurance and registration charges will be payable by the applicant.

10. The applicant may plough his own land and that of his neighbours, if he chooses, with the tractor supplied to him under the Scheme.

11. The application together with the quotation will be referred to the Amildar of the Taluk concerned by the Commissioner for Food Production. The Amildar will then examine the solvency of the applicant and the value of the securities offered. If the solvency of the applicant and the value of the landed properties offered as security are not less than $1\frac{1}{2}$ times the value of the loan to be advanced, the Amildar will send up his recommendation (with the following documents) to the Commissioner for Food Production through the Deputy Commissioner of his District who will also furnish his opinion about the grant of loan:—

- (a) Solvency certificate of the applicant countersigned by the Deputy Commissioner.
- (b) Encumbrance certificate in respect of the properties to be mortgaged for the tractor and implements.
- (c) Khate or the index of lands extract of the lands offered as security duly attested by the Amildar.
- (d) Statement showing the valuation of the properties to be mortgaged as valued by the Amildar, showing the correct boundaries of the same.
- (e) The documents of title relating to the property proposed to be mortgaged.

12. On receipt of the entire records from the Deputy Commissioner, the Commissioner for Food Production will examine each case and will instruct the applicant to deposit 1/6th of the cost of the tractor and implements in a Government Treasury and obtain a Hire Purchase Agreement in the prescribed form executed on a stamp paper of the prescribed value with copy of application and two sureties of known status and solvency and have the same registered. The hirer will be subject to the terms and conditions contained in the hire purchase agreement. He will then issue a release order to the concerned firm and arrange payment through the Accountant General.

13. The Commissioner for Food Production reserves the right for periodical inspection of the tractor and implements either in person or by the departmental officers deputed by him. He will also arrange for recovery of the instalments, amounts, etc., due through the Deputy Commissioner of the District and in case of default as arrears of Land Revenue through the Revenue Department.

FORM OF HIRE PURCHASE AGREEMENT FOR TRACTOR AND IMPLEMENTS.

Agreement made this day of One thousand nine hundred and fifty in favour of the Rajpramukh His Highness the Maharaja of Mysore acting in the exercise of the executive authority of the State of Mysore, herein after called the 'Supplier' of the first part and hereinafter called the 'Hirer' of the second part and (2) (3) (sureties) hereinafter referred to as the sureties witnesseth and the parties have agreed as follows:—

1. The supplier agrees to let on hire to the Hirer and the Hirer agrees to take from the Supplier on Hire Purchase System, the tractor and implements referred to in the schedule hereto.

2. The Supplier agrees to let on hire the tractor and implements to the Hirer on the following terms and conditions to which the Hirer hereby agrees.

3. The Hirer shall in the first instance pay an initial deposit of Rs. being one-sixth cost of tractor and implements, required, viz., Rs. which will be adjusted by crediting the sum towards the total sum due by him. In case of failure to take the tractor and implements the deposit so paid shall be liable to be forfeited to the Suppliers.

(i) That the Hirer of the tractor and implements shall use them only for irrigation purposes.

(ii) That the Hirer shall grow at least one food crop (paddy, ragi, jola or wheat) each year in the entire extent of land on which the tractor is to be employed.

4. So long as the Hirer thinks fit to continue the hiring, he shall pay to the Supplier, without demand, the balance amount in five equal annual instalments for each tractor and implements at the end of each year, with 5 per cent interest or any other rate of interest as may be prescribed by Government from time to time on the balance due, the first instalment of such payments being payable immediately on the expiry of one year from the date of taking delivery of the tractor and implements by the Hirer and the subsequent instalments on the corresponding date of each succeeding year:

(a) The Hirer has understood the contents of the Government Order No. A.F. 7349-62-F.P. 9-53-20, dated 28th October 1953 relating to issue of tractors and implements under Hire-Purchase System and the rules framed thereunder and agrees to abide by the same.

5. It shall be lawful for the Supplier and all persons authorised by him, to enter upon any premises in which the tractor and implements may be for the time being to inspect the same.

6. The Hirer doth hereby agree with the Supplier:—

(a) That during the hiring the said tractor and implements shall be kept in good serviceable order and condition (damage by fire not being excused) and no alteration or addition shall be made thereto without the previous written consent of the Supplier.

(b) That the tractor and implements shall be kept in possession of the Hirer and upon trust for the Supplier free from distress, execution or other legal process, and shall not on any account be sold, assigned or dealt with or the possession thereof parted with; and the Hirer shall fix a name plate on the tractor that it belongs to the Supplier.

(c) That all rents, rates, taxes and outgoing payable in respect of the premises shall be duly and punctually paid and discharged by the Hirer.

7. It is hereby declared that the Supplier has entered into this agreement upon the express declaration by the Hirer, and the Hirer hereby expressly warrants that the premises on which the tractor and implements shall be kept belongs to the buyer and is free from any mortgage encumbrance or charge or claim given or created by the Hirer or any persons through whom he claims.

8. If the Hirer at any time during the hiring shall be desirous of executing or creating any mortgage, encumbrance or charge in respect of such premises he shall give to the Supplier one month's previous notice in writing of his intention to do so, and upon the receipt of any such notice it shall be lawful for the Supplier to put an end to the hiring in the manner provided in clauses 9 and 10.

9. If the Hirer:-

- (a) shall make default in punctually paying any hire instalment or
- (b) shall be adjudicated bankrupt or shall file a petition in bankruptcy or have a receiving order made against him or enter into any arrangement or composition with his creditors,
- (c) shall execute or create any mortgage encumbrance or charge of or upon the premises which have been mortgaged to Government or given notice of his intention to do so, as provided by the last preceding clause, or
- (d) shall fail to observe and perform any of the undertakings and conditions contained in this agreement and on his part to be observed and performed:

then and in any such case it shall be lawful for the Supplier to put an end to the hiring immediately and remove the tractor and implements and any other materials supplied to the Hirer by the Supplier, and for that purpose, the Hirer thereby authorises the Supplier, his servants and agents to enter upon the premises in which the said tractor and implements may be for the time being and to seize and take them away and all Government materials.

10. No allowance, return credit or payment shall be allowed or paid to the Hirer in the event of hiring being determined by the Supplier, as provided by clause 8 thereof, but the Hirer shall pay to the supplier all arrears of hire and damages for the breach of this agreement up to the date of such determination.

11. Notwithstanding any loss or accident to the tractor and implements during the term of contract, the Hirer will continue the payment to be made by him and shall not be entitled to any extension of time or reduction of the amounts due.

12. The Supplier doth hereby agree that the Hirer shall have the option of purchasing the tractor and implement at any time during the subsistence of this Agreement by paying the balance of the hire and also that if the Hirer shall exercise such option, the supplier will give to the Hirer credit against such purchase price for all payments which shall have been made by him for hire and also for the sum paid in advance under clause 3 hereof. But until then and until such purchase price shall have been paid in full, the said tractor shall remain the absolute property of the supplier.

13. If the supplier shall seize and take possession of the said tractor and implements under clause 8 thereof; the Hirer may within 30 days after such seizure, purchase the tractor and implements by making the payment to the supplier of the price as per terms of clause 2 together with costs and expenses incidental to such seizure. If the hirer shall not exercise such option and make such payments within the time aforesaid, the option given to the Hirer by this clause shall cease and the Hirer shall not be entitled to any credit allowance or return for or on account of any payments made by him previously.

14. If the Hirer is in arrears in respect of any instalment, one month's time will be given for payment and in case of failure to pay the amount within this time, the Deputy Commissioner, on intimation of the default will take measures for the recovery of the amount due as arrears of Land Revenue together with interest at ten per cent per annum on instalments overdue for a period of three months a penal interest of 10 per cent being levied on instalments overdue for longer periods up to the date of payment; without prejudice to and in addition to the remedies for the recovery of the same. The Supplier shall be entitled to recover amounts due under this agreement and from the Hirer and from the Sureties as if they were all arrears of land revenue and a revenue demand, without prejudice to the other remedies of the Supplier.

14 (a) As security for the payment of all the sums of money and interest due from and payable by the Hirer to the Supplier under this agreement, the Hirer does hereby mortgage to and in favour of the Supplier all the property more fully described in the schedule hereunder by way of a first hypothecation, and the hirer doth hereby agree to hold the property hereby mortgaged unto and to the use of the supplier for securing payment of all sums of money due hereunder and under this agreement or which may hereafter become due. The Hirer hereby covenants with the Supplier (a) that he, the Hirer has a good and perfect title to mortgage the property to the Supplier and that there are no encumbrances, charges, claims, demands, etc., of any description or in respect of the same; (b) that all improvements and accessions to the mortgaged property shall form part of the security and be governed by

these presents (c) that in the event of the supplier deciding that the security hereunder given is insufficient, the Hirer shall give such additional security as the Supplier shall demand and (d) that the rights of the supplier as mortgagee under this clause shall be in addition to and without prejudice to the rights of the Supplier under clause 13 and the other clauses of this agreement and that it shall be open to the Supplier to recover the moneys due from the Hirer or any portion thereof in any manner under any of the other clauses of this agreement and from any of the persons liable for their payment without being obliged to proceed against the mortgaged properties in the first instance.

15. If the Supplier shall grant to the hirer any time or shows any indulgence either in regard to payment of any instalment or in any other way the same shall not affect or prejudice the Supplier's right under the Agreement against the Sureties and the liability of the Sureties shall not be affected, altered or discharged by or on account of such grant of concessions or time or any alterations in the terms of this Agreement with the hirer.

16. In the event of any dispute or difference arising as to the construction, meaning and effect of this Agreement or of any clause herein contained or as to the rights or liabilities of either of the parties under this agreement, the matter in dispute or difference shall be first submitted to the Commissioner for Food Production to the Government of Mysore, for decision. If the Consumer is not satisfied with the decision of the Commissioner for Food Production, the matter shall be referred to the Government, whose orders shall be final and not liable to be questioned in any court of law.

17. The sureties hereby agree and covenant that they and the Hirer shall be jointly and severally liable to the Supplier for the due performance by the Hirer of the terms and conditions of this agreement and that they will pay all monies due by the Hirer for hire interests, costs or damages under this Agreement and that all such amounts without prejudice to the suppliers' other remedies, may be recovered by the Supplier as if they were arrears of Land Revenue and a Revenue Demand.

18. In witness whereof, the parties have hereunto set their hands the day and the year first above written.

1. Description of properties mortgaged: Village S. No. Extent, Value,
Boundaries.

2. Description of the tractor and implements.

Sureties :—1.

2.

Signature of the Hirer.

Witnesses :—1.

2.

Signature of the Supplier.

EDUCATION SECRETARIAT

Sanctions the creation of the post of a Joint Secretary in the Mysore Government Insurance Department.

EAD—

Government Order No. FL 2738-41—G.F. 52-52-1, dated 31st May 1952, constituting a Committee for examining in detail the Scheme of Reorganisation of the Mysore Government Insurance Department.

2. Correspondence ending with U.O. Note No. G.M. 9—53-54, dated 28th October 1953, from the General Manager, Mysore Government Insurance Department, furnishing his views on the proposal for the creation of the post of a Joint Secretary in the Mysore Government Insurance Department.

ORDER NO. FL. 5259-63—G.F. 136-53-2, DATED BANGALORE,
THE 4TH NOVEMBER 1953.

The Reorganisation Committee has sent a comprehensive report giving suggestions for placing the Insurance Department on up-to-date lines in all its various activities. One of the important aspects of the departmental activities stressed by the Committee is the development of field organisation. The department has no doubt reached big dimensions in its business activities, but it has potentialities to make itself bigger in the insurance world.